

GOVERNMENT OF INDIA
MINISTRY OF FOOD PROCESSING INDUSTRIES
LOK SABHA
UNSTARRED QUESTION NO. 5980
ANSWERED ON 03RD APRIL, 2018

STATE-OF-THE-ART TECHNOLOGY IN FPI

5980. SHRI DUSHYANT CHAUTALA:

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

- (a) whether the Government has invited 100% FDI in food processing industries and initiated to introduce state-of-the-art technology of international standards for the development of Food Processing Industries;
- (b) if so, the details thereof and the value of foreign investment received for the purpose during the last three years; and
- (c) whether the Government has also fixed target to reduce the wastage of agricultural products through such a move and by inviting more FDI in this field and if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES
(SADHVI NIRANJAN JYOTI)

(a) & (b): Government has already approved 100% Foreign Direct Investment (FDI) in the food processing sector through automatic route subject to applicable laws/sectoral rules/regulations/security conditions. Also, 100% FDI with Government approval for retail marketing, including through e-commerce, is allowed for food products manufactured or produced in India. The year-wise FDI equity inflow into the food processing sector is as follows:

FDI Equity Inflows in Food Processing Sector

Year	FDI Inflow (In US\$ Million)
2014-15	515.86
2015-16	505.88
2016-17	727.22

Source: Department of Industrial Policy & Promotion

(c): Though no specific target has been fixed to reduce the wastage of agricultural produces, the Ministry of Food Processing Industries (MoFPI) has been implementing various Central Sector Schemes under PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY) for overall promotion and development of food processing sector in the country to, inter alia, reduce wastages of agricultural produces along the entire value/supply chain through creation of robust modern infrastructure. In addition to allowing FDI into food processing sector, Government has taken a number of policy initiatives like creation of a special fund of Rs.2000 crore in National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit to food processing sector; classification of food & agro-based processing units and cold chain as agriculture activity for Priority Sector Lending (PSL); lower Goods & Service Tax (GST) rates for majority of food products, 100% exemption of Income Tax on profit for new food processing units, concessional import duty for import of plant and machinery under project import benefit scheme etc.